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AICPA *Washington Report*

December 7, 1987, Volume XVI, Issue 40

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COMPTROLLER OF THE CURRENCY, OFFICE OF

Applications for the OCC's Professional Accounting Fellowship Program are now being sought and will be accepted through 1/22/88. According to the OCC, the main objective of the program is to foster an understanding and cooperative relationship with members of the public accounting profession and the OCC. One candidate will be selected for a two-year term beginning between March and May 1988. Each applicant should be a CPA, have a minimum of five years public accounting experience, and have some experience in providing services to or working in the banking industry. One or more years of the candidate's public accounting experience should be at the manager level, where the individual has been responsible for the planning, control, and technical accuracy of audit engagements. Work assignments may include development of regulatory accounting policy, evaluation and revision of current reporting requirements, and serving as a liaison with various governmental and professional groups. The candidate chosen will be required to sever all ties with their current employer before starting the appointment. Applicants are required to submit a Personal Qualifications Statement (SF-171) and a four to ten page essay on an accounting subject of interest to them and germane to the work of the OCC. Additionally, two letters of recommendation should be included. The material should be sent to the Comptroller of the Currency, Human Resources Division, Staffing Services, Washington, D.C. 20219. For additional information contact Zane D. Blackburn at the OCC at 202/447-0471.

Final guidelines to assist officials of financial institutions in complying with the Bank Bribery Act Amendments of 1985 have been issued by the Office of the Comptroller of the Currency (see the 12/3/87 Fed. Reg., pp. 46046-49). The OCC recommended national banks incorporate these guidelines into their codes of conduct. The guidelines describe the prohibitions of the Federal bank bribery law and also identify some situations which, in the opinion of the OCC, do not constitute violations of the law. The guidelines recommend that a bank's code of conduct should prohibit any employees, officers, directors, agents or attorneys of a national bank from: 1) soliciting for themselves or for a third party anything of value from anyone in return for any business, service or confidential information of the bank and, 2) accepting anything of value (other than bona fide salary, wages, fees or other compensation paid in the normal course of business) from anyone in connection with the business of the bank, either before or after a transaction is discussed or consummated. The effective date of the guidelines is 12/3/87. For additional information after reading the guidelines, contact Robert B. Serino at the OCC at 202/447-1847.

TREASURY, DEPARTMENT OF

The agenda for the 12/9-10/87 IRS Commissioner's Advisory Group has been changed (see the 12/1/87 Fed. Reg., pp. 45706-07 and the 11/23/87 Wash. Rpt.). According to the IRS, the 12/9 discussion will include the following subjects: role of the practitioner, recurring collection problems, the criminal enforcement program, and audit quality. The 12/10 meeting will focus on complexity and change, a general discussion and observations on the advisory group. Additionally, the IRS noted that due to seating capacity constraints, the public should contact Robert F. Hilgen for notification of intent to attend or to have the committee consider a written statement. Mr. Hilgen may be reached at the IRS at 202/566-4143. The meetings will begin at 8:00 a.m. both days and will be held in Room 3313 of the IRS Building, 1111 Constitution Ave., N.W., Washington, D.C.

TREASURY, DEPARTMENT OF

A public hearing on proposed regulations concerning affiliated service groups, employee leasing, and other arrangements has been announced by the IRS (see the 12/1/87 Fed. Reg., p. 45835). The hearing is scheduled for 2/25/88. The proposed regulations would consider leased employees to be employees of the firm for which they perform services, rather than the leasing firm which pays them for certain employee benefit purposes, regardless of the existence of a safe-harbor plan by the leasing organization (see the 8/27/87 Fed. Reg., pp. 32502-18 and the 9/7/87 Wash. Rpt.). The hearing will begin at 10:00 a.m. in the IRS Auditorium, 7400 Corridor, 1111 Constitution Ave., N.W., Washington, D.C. Requests to speak and outlines of oral comments, which are due by 2/11/88, should be submitted to the Commissioner of Internal Revenue, Attn: CC:LR:T (EE-111-82), Washington, D.C. 20224. For additional information after reading the hearing notice and proposed regulations, please contact Marcia Evans at the IRS at 202/566-3935.

A change has been made in previously announced Form 1098 requirements for 1988, the IRS said recently. The new requirements are that recipients of mortgage interest must indicate on Form 1098 whether the mortgage was incurred after 12/31/87 for a purpose other than the purchase of a personal residence. This requirement will be effective for interest received in calendar year 1988 and later years, according to the IRS. In addition, the average balance reporting requirement will not be imposed for interest received before 1/1/89. The new requirements were announced in Announcement 87-110 and revoke Announcement 87-73, which would have required recipients of mortgage interest to indicate on Form 1098 whether the mortgage was incurred after 8/16/86 for a purpose other than the purchase of a personal residence and to report the average balance of the mortgage on Form 1098. Announcement 87-73 appeared in Internal Revenue Bulletin 1987-33, dated 8/17/87. Announcement 87-110 will appear in Internal Revenue Bulletin 1987-49, dated 12/7/87.

A public hearing on proposed regulations relating to rules for application of the foreign sales corporation (FSC) transfer pricing rules has been scheduled by the IRS. The public hearing will take place on 1/19/88 at 10:00 a.m. in the IRS Auditorium, 7400 Corridor, 1111 Constitution Ave., N.W., Washington, D.C. The proposed regulations appeared in the 3/3/87 Fed. Reg., at pp. 6428-66, and p. 6467. Outlines of oral comments must be delivered on or mailed by 1/5/88 to the Commissioner of Internal Revenue, Room 4429, Attn: INTL-153-86, Washington, D.C. 20224. For additional information about the hearing, please contact Carol Savage at the IRS at 202/566-3935.

Final regulations requiring employers to submit to the IRS copies of employee withholding exemption certificates (Forms W-4 or W-4A) in cases where an employee claims more than 10 exemptions, were recently approved by the IRS (see the 12/1/87 Fed. Reg., pp. 45632-33). The final rules modify the withholding rules to reflect changes made by the Tax Reform Act of 1986 (TRA '86). Enactment of TRA '86 increased the amount of each withholding exemption and eliminated or limited a number of the deductions and credits employees previously used in determining the number of withholding allowances to which an employee was entitled. The IRS notes that in some cases the number of withholding exemptions that an employee is entitled to claim has been reduced. The regulations are effective with respect to Forms W-4 received after 11/30/86. If additional information is needed after reviewing the final regulations, contact Laura Ann Lauritzen at 202/566-3459.

TREASURY, DEPARTMENT OF

Interest rates for the calendar quarter beginning 1/1/88 on tax overpayments and underpayments were announced recently by the IRS. The rate for overpayments will increase from 9 to 10 percent and the rate for underpayments will increase from 10 to 11 percent. Under the Tax Reform Act of 1986, the rate of interest is determined on a quarterly basis and the rate on underpayments will be one percent higher than the rate on overpayments. The announced rate is based on the Federal short-term rate determined during October 1987, the IRS said. The new rates were announced in Revenue Ruling 87-131 and will appear in Internal Revenue Bulletin 1987-50, dated 12/14/87.

For further information contact Shirley Twillman or Joseph Petito at 202/737-6600.

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